

To the Members of the California State Assembly:

I am returning Assembly Bill 48 without my signature.

It is essential to those working at or near the minimum wage that the adequacy of the wage is reviewed on a regular basis and raised when appropriate. The minimum wage has not been increased since 2002, and I believe it is now appropriate. This is a position I made very clear to the author. However, I have also made it clear that I do not support automatic increases to the wage that relieve elected officials of their duty to consider all of the impacts each increase to the wage will have on workers and businesses.

This autopilot mechanism fails to account for changes in the economy which could have deleterious effects on the economic health of the state. Despite numerous downward economic cycles over the last fifty years, the inflation rate identified in the bill has never gone down since the state began collecting the information in 1955. Clearly using static economic data does not account for the inevitable downward cycles and would provide increases when the private sector can least afford them.

Furthermore, minimum wage increases must not be put on autopilot or examined in a vacuum but reviewed in conjunction with other wage and hour issues that impact workers and businesses. For example, California has the most inflexible workplace scheduling rules in the country. These inflexible rules discourage the use of alternative schedules that allow workers to work fewer days every week, avoid peak commute times, and spend more time with their families. In addition, California businesses have been unreasonably hampered by the Byzantine labor law defining employer classifications.

For these reasons I cannot support this measure but, as I told the Legislature's leaders last month, I am willing to sign a minimum wage increase bill that addresses my concerns.

Sincerely,

Arnold Schwarzenegger

